

(As of August 1, 2005)

**Section 3-114. Financial and Performance Audits --**

1. Financial Audit. The council shall provide for the city auditor to conduct or cause to be conducted within thirty days after the beginning of each fiscal year an independent financial audit of all operations of the city and all operations for which the city is responsible and of their funds and accounts for the audited fiscal year. The financial audit shall be conducted by a certified public accountant or a firm of certified public accountants. The scope of the audit shall be in accordance with the terms of a written contract to be signed by the presiding officer of the council, which contract shall encourage recommendations for better financial controls and procedures and shall provide for the completion of the audit within a reasonable time after the close of the audited fiscal year. A copy of the audit report shall be transmitted to the mayor and to the council, shall be filed with the city clerk, and shall be a public record.

2. Performance Audit. The council may, at any time by adoption of a resolution, provide for and direct the city auditor to conduct or cause to be conducted a performance audit of any agency or operation of the city. The scope of the audit shall be set forth in the resolution and may include the following objectives:

(a) Examination and testing of processes to determine whether the laws, policies and programs of the city are being carried out in the most effective, efficient and economical manner.

(b) Examination and testing of internal control systems to ensure that such systems are properly designed to safeguard public assets against loss from waste, fraud, or error, to promote efficient operations, and to encourage adherence to prescribed management policies.

(c) Recommendations for changes in the organization, management and processes which will produce greater efficiency and effectiveness in meeting the objectives of the programs or operations carried out.

The audit resolution shall provide for the completion of the audit within one calendar year. A copy of the audit report shall be filed with the city clerk and be a public record.

3. For the purpose of this section, "agency or operation of the city" means the same as defined under Section 3-502. (*Reso. 78-278 and 84-197; Reso. 02-39*)